

# About the NBA

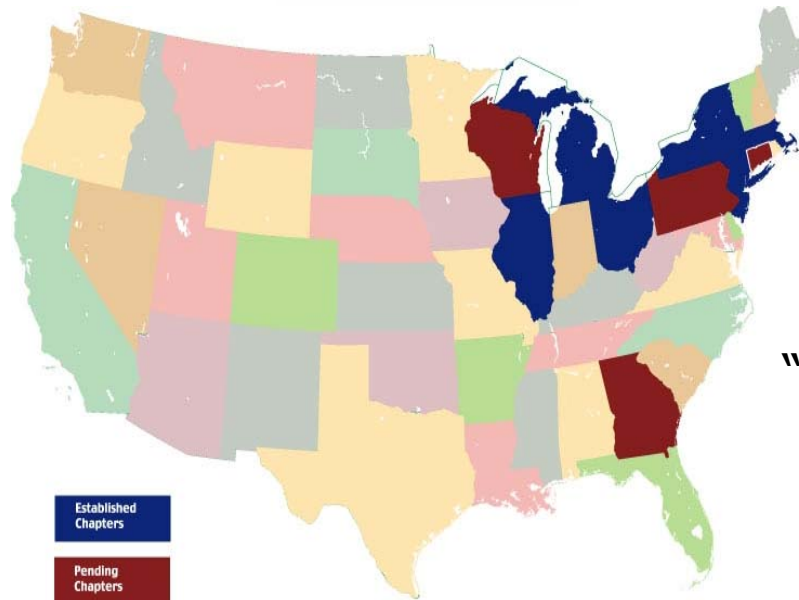
- Founded in 1999 as an IL 501 (c) (3) non-profit educational organization. Goal- to promote the responsible redevelopment of brownfields
  - Provision of informational material
    - *Brownfield News* magazine
    - White Papers
  - Educational programs
    - Workshops
    - USEPA Training Grants
  - Events
    - Brownfield Leadership Summit, June 23, DC
    - State Chapter Meetings



# About State Chapters



- Create a local forum where members could meet, exchange ideas and advance the local brownfield market.
- Provide input for legislation, policy, incentives, technology and best practices.



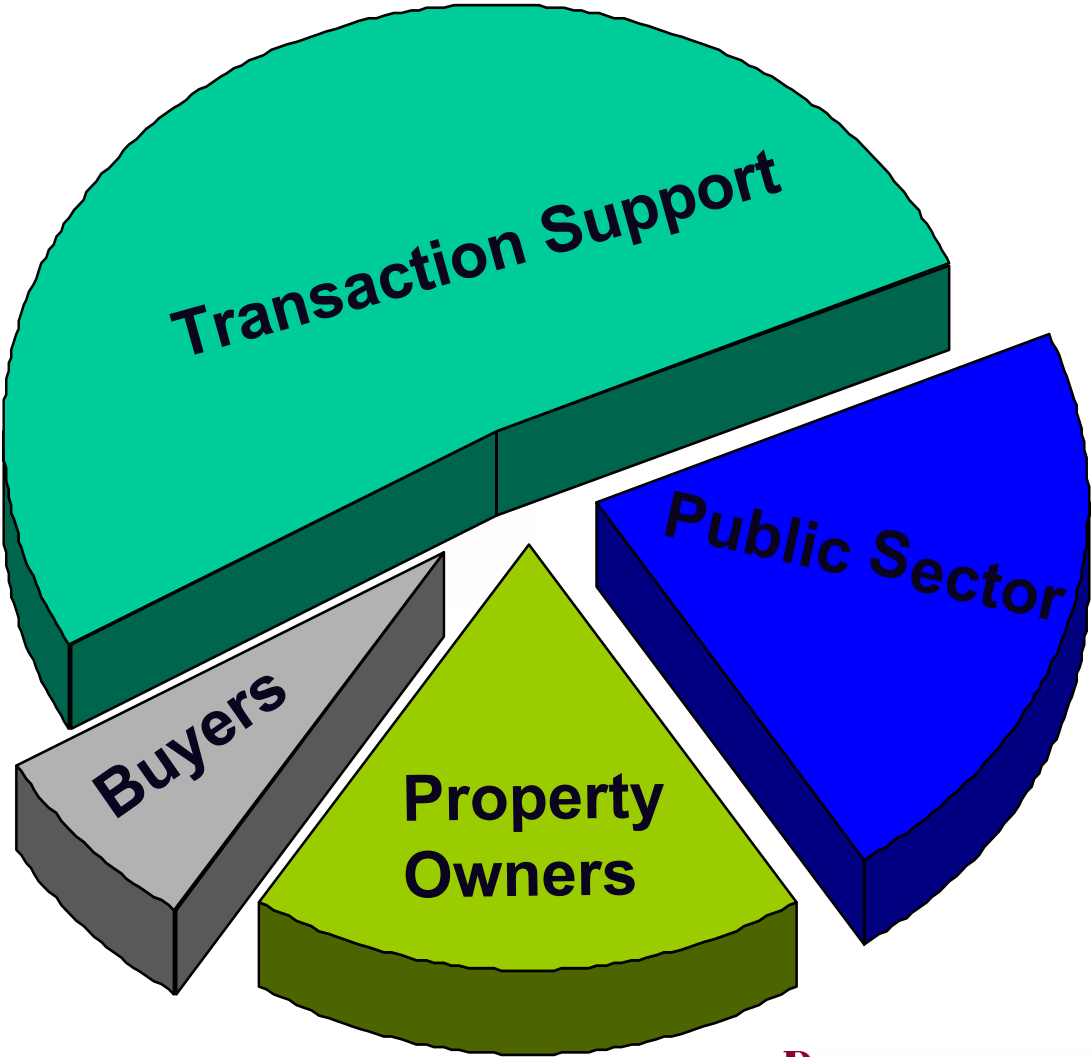
“All development is local”

## Market Size

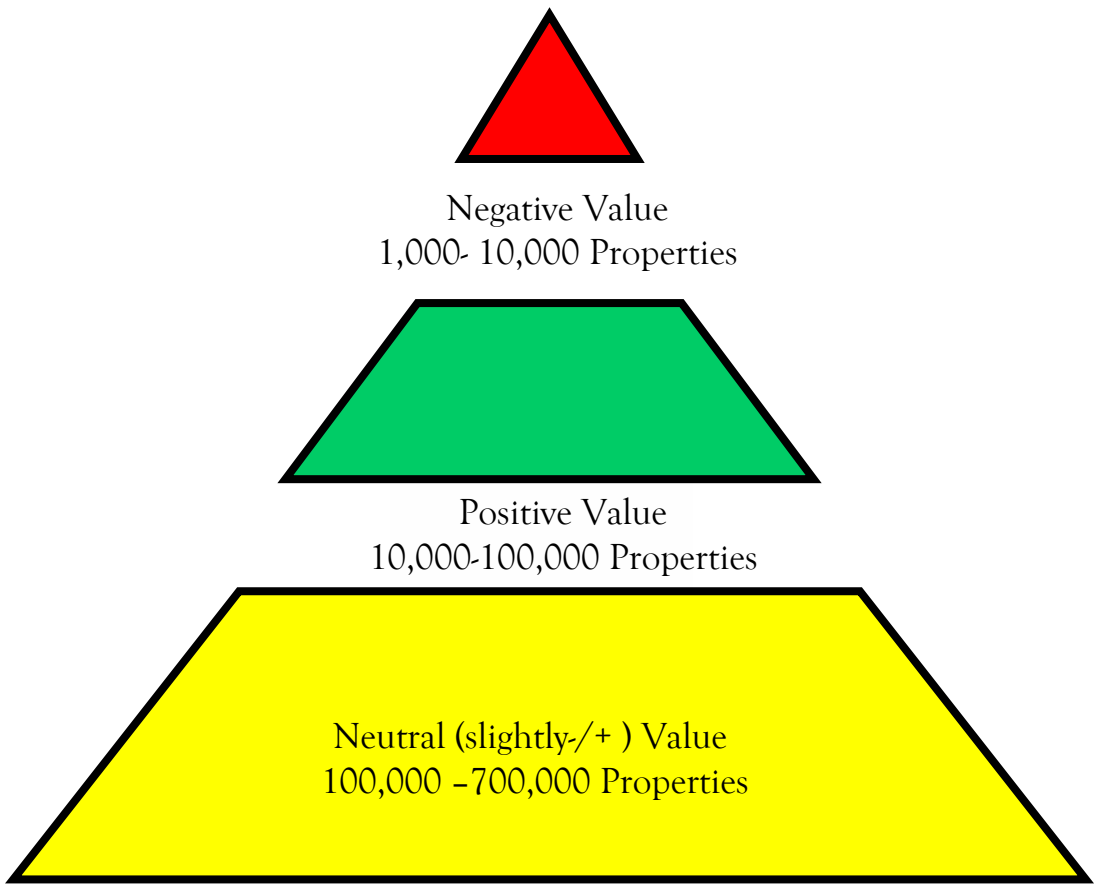
- \$2 Trillion of real estate is estimated to be devalued due to the presence of environmental hazards
  - USEPA estimates that up to 1 million properties are considered a “brownfield site” as defined in HR 2869
  - We estimate that between 5,000-10,000 individuals make their livelihood in the US Brownfield market



# Market Sectors

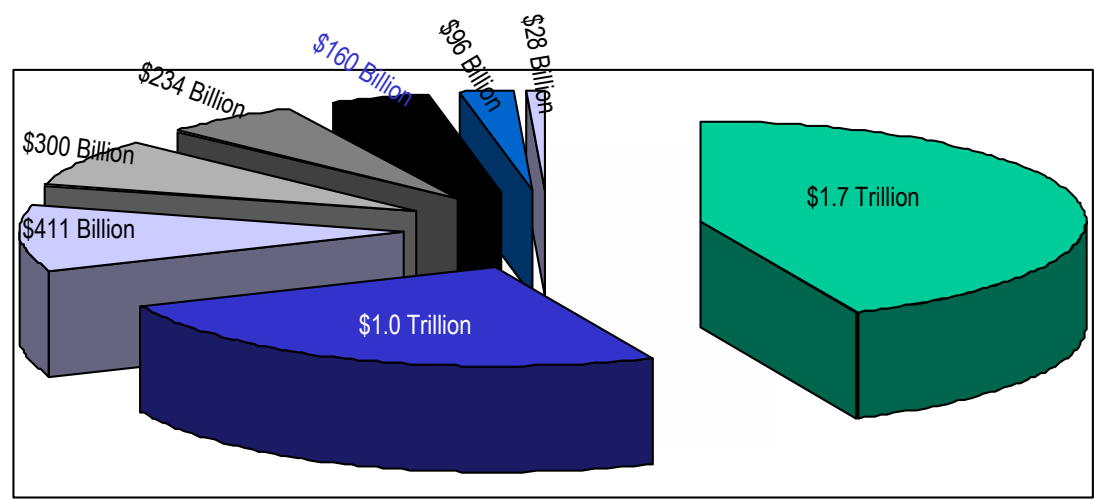


# Stratification of Value



# Who owns commercial real estate?

US Commercial real estate is valued  
at approximately \$4 trillion



We estimate that environmental hazards are present at 20-50% of all commercial real estate and create a perceived or real decrease in property value.

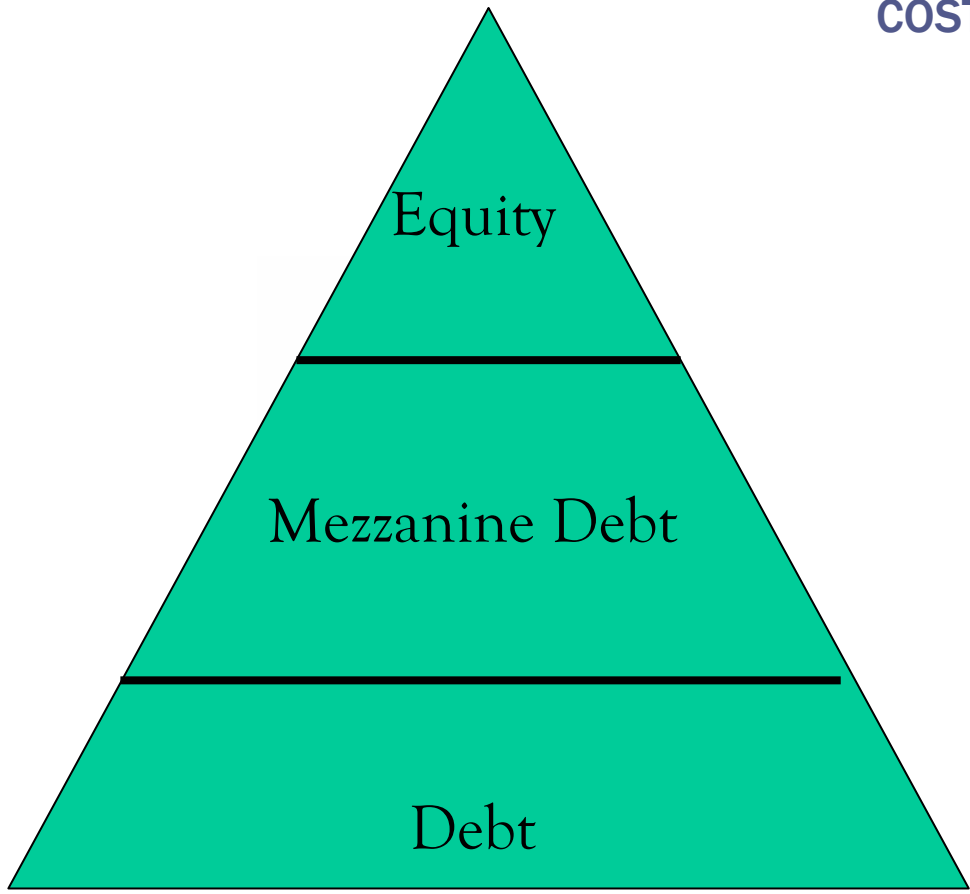
# The Private Capital Pyramid



**RISK**

High

Low



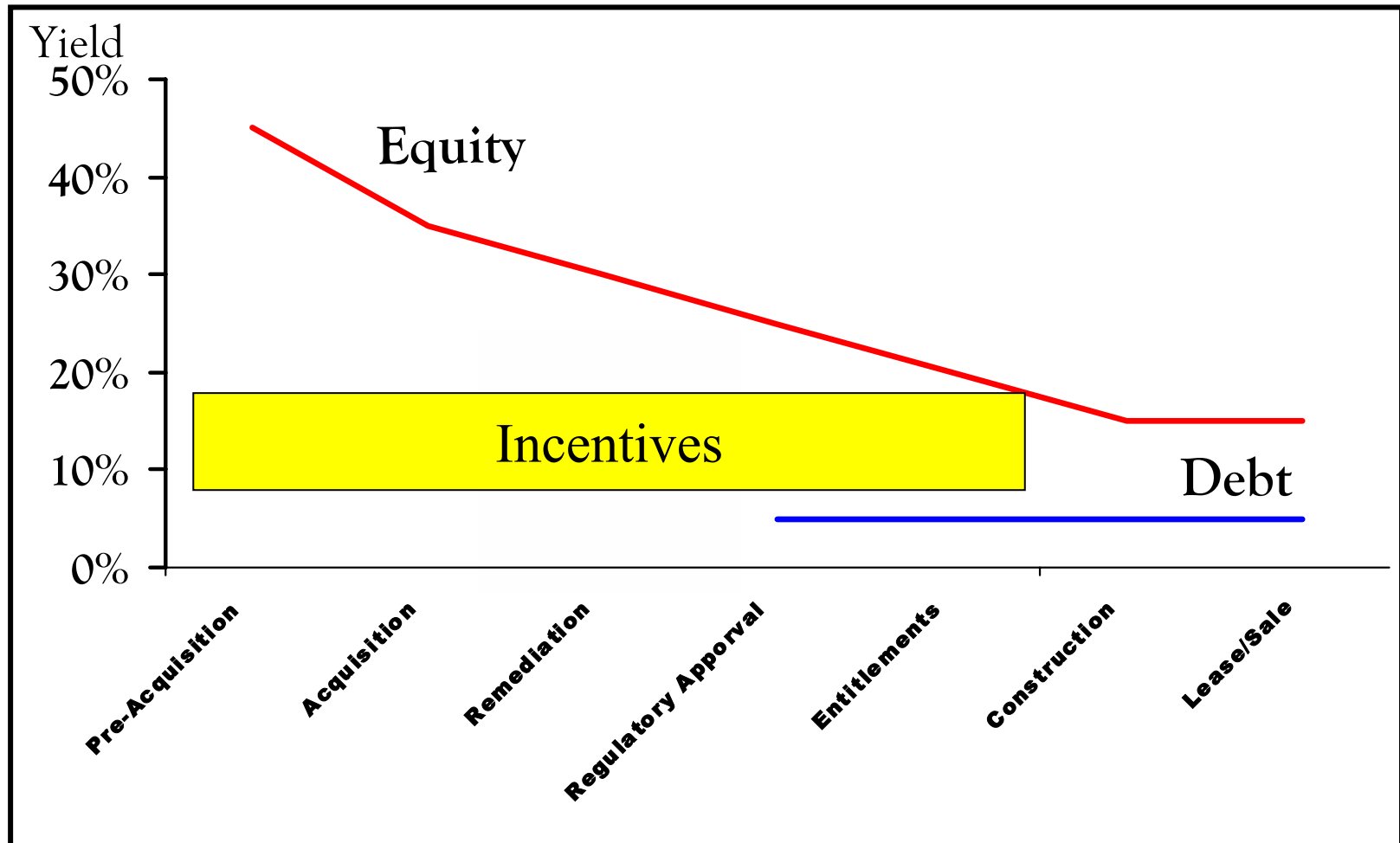
**COST OF FUNDS**

High

Low



# Structuring Brownfield Finance



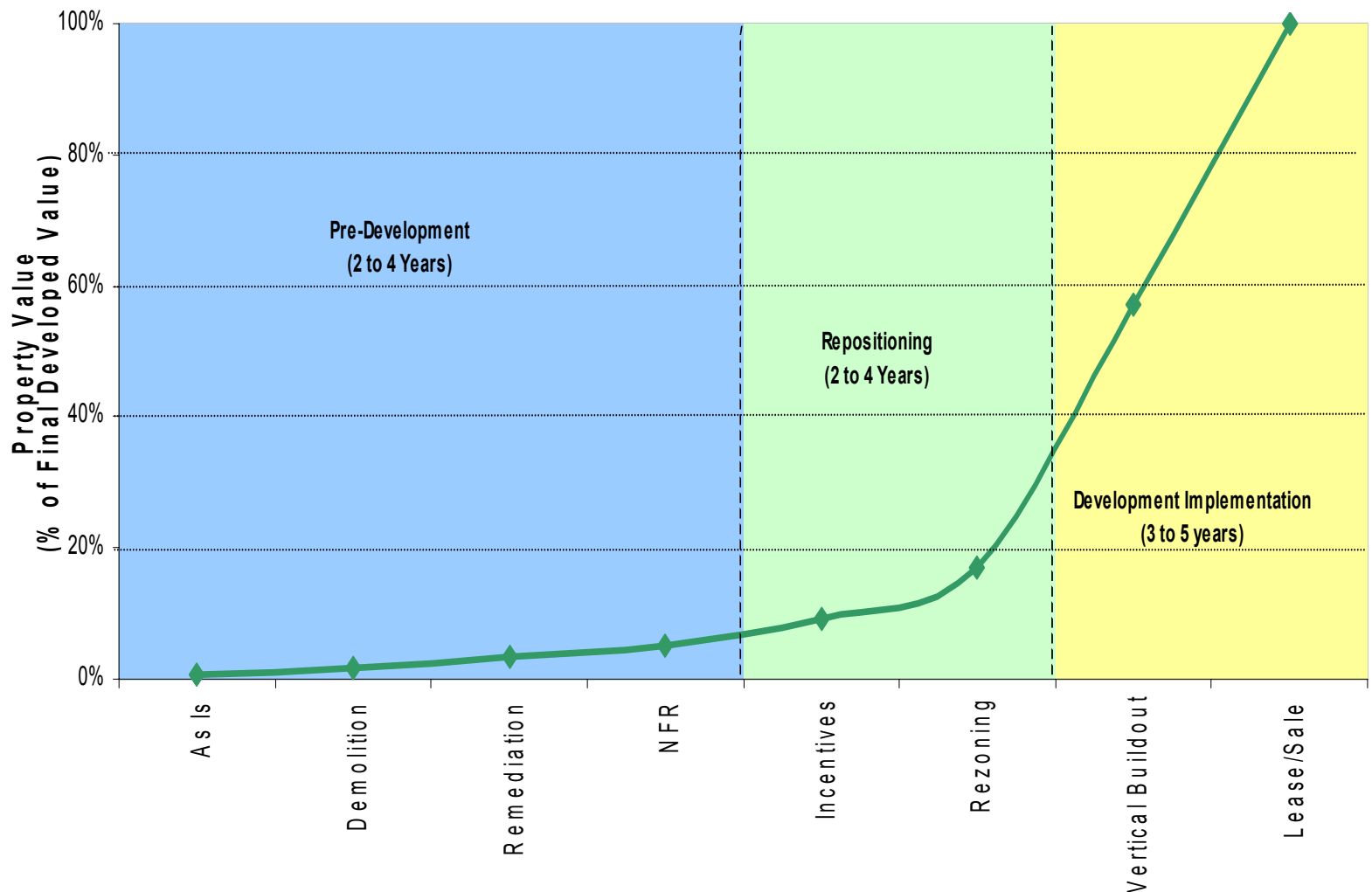


# Environmental Insurance

- \$300 – 400 million in premiums were paid for environmental insurance at brownfield sites
- Environmental insurance brings comfort to the capital markets.
- Two insurance types are used in more than 80% of the transactions:
  - Cleanup Cost Cap (CCC)
    - Covers Remediation Cost Overruns for
  - Pollution Legal Liability (PLL)
    - Covers pre-existing and new conditions



**Brownfield Site Development**  
**Valuation vs. Development Process**



Key Elements of the Brownfield Development Process

# The Deal Process

- Property Owner/Seller
- Buyer
  - Developer
  - Owner Operat
  - Investor
- Everyone else
  - Professional Service Providers
  - Insurance
  - Capital
  - Government



# QUESTIONS

- Property Owner Perspective  
Dave Kalet, Remediation Manager  
Atlantic Richfield Company
- Developer Perspective  
Brian M. Goray,  
Cherokee Investment Partners
- Insurance Perspective  
Kevin Matthews, Director of  
Governmental Relations, AIG  
Environmental

